

ORDINANCE NO. 39 (Cont'd)

SECTION 9. This Ordinance shall take effect and be in force from and after the 1st day of January, 1954.

SECTION 10. ASSESSORS AND COLLECTORS

The assessment and collection of the taxes herein provided shall be accomplished by any or all of the following methods:

1. By appointment of the Mayor, subject to confirmation of the Council, of a City Tax Assessor and Collector.
2. By contract with independent contractors for the assessment and collections of said taxes.
3. By appointment of the Mayor, subject to confirmation of the council of tax assessors and collectors doing similar work for other public agencies.

First Reading: November 24, 1953

Second Reading: December 1, 1954

Third Reading: December 8, 1953

Passed by the Common Council, and approved by the Mayor of the City of Palmer, Alaska this 15th day of December, 1953.

/s/ Don McKechnie
Mayor of the City of Palmer, Alaska

ATTEST:

/s/ Elizabeth Barry
Clerk of the City of Palmer, Alaska

*Amended by
Ordinance No. 69*

ORDINANCE NO. 40

AN ORDINANCE TO PROVIDE FOR THE LEVYING AND COLLECTION OF A CONSUMER TWO (2) PER CENTUM SALES TAX ON RETAIL SALES AND SERVICES MADE WITHIN THE CITY OF PALMER, ALASKA. THE PROCEEDS TO BE USED FOR GENERAL PURPOSES RELATING TO SERVICES, HEALTH, AND WELFARE OF THE CITY AND IN ADMINISTRATION OF THE CITY GOVERNMENT: PROVIDING FOR ADMINISTERING, AND METHOD OF COLLECTING SAID TAX: PROVIDING PENALTIES: FIXING THE DATE WHEN SUCH ORDINANCE AND TAX SHALL BECOME EFFECTIVE, AND REPEALING ORDINANCE NO. 10.

WHEREAS, more than fifty-five (55) per centum of the qualified voters voting at a special election held July 10, 1951, have consented to the levying and collection of a consumer's sales and service tax not to exceed two (2%) per centum of the sales prices on all retail sales and services made within the City of Palmer, Alaska, pursuant to Section 16-1-35, ACLA 1949 as amended by House Bill No. 65 of the 19th session of the Legislature of the Territory of Alaska.

NOW THEREFORE BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF PALMER, ALASKA:

SECTION 1. "Retail Sale" shall be construed to mean the transfer of title to tangible personal property for consumption or use, and not for resale in substantially the same form or condition. A sale made to a purchaser for his own use, or to be consumed by him in fabricating an article for subsequent sale to another shall be deemed a retail sale.

"Service" shall be construed to mean the rendering of any personal service, professional and otherwise, to or for another's use or benefit, for money or other valuable consideration save and excepting remuneration for services shall not be construed to mean salaries and wages received by an employee.

"Consumer" shall be construed to mean the person who receives the use or benefit of personal property purchased or services rendered.

The term "selling price" shall be construed to mean the overall consideration, whether money, credit, right or other property ~~paid~~ expressed in the terms of money, paid or delivered by a buyer to a seller, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expenses whatsoever paid or accrued, and without any deduction on account of losses.

The term "seller shall be construed to mean every person, firm or corporation making sales at retail to a buyer or consumer, whether as agent, broker or principal; and the term shall include performing services for remuneration.

The term "wholesale sale" shall be construed to mean the sale of goods or articles to another for resale in the same form purchased.

"Sales of articles to contractors and sub-contractors", for use in the performance of labor or services for another shall not be deemed a sale to a consumer. In such cases the prime contractor shall collect the tax from the consumer or person receiving the benefit of the prime contractor's labor or services, which tax shall be based upon the price charged for the prime contractor's overall services, including the cost of labor and materials furnished by the prime contractor's sub-contractors.

"Mail order sales and sales made by personal solicitation". Sales to consumers made by mail-order houses or other sellers having a place of business within the municipality or having a place of business elsewhere, but who solicit sales with the municipality, are taxable, if the order is accepted within the municipality, and delivery is made by the seller at such place of business or elsewhere within the municipality.

SECTION 2 From and after the first day of January, 1954, there shall be levied and collected a tax on retail sales and services made within the city of Palmer equal to two (2%) per centum of the selling price and/or charge made for the services rendered, when such selling price and/or charge made amounts to twenty-five (25) cents or more.

SECTION 3 The tax levied hereunder shall apply to the following sales and services:

- (a) All tangible personal property.
- (b) Natural or artificial gas, electricity, ice, steam, water, or any public service or public utility.
- (c) Transportation for hire of persons by common carrier, including motor transportation, taxicab companies and all other means of transportation for hire.
- (d) 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 not include deposits.
- (e) Printing or printed matter of all types, kinds and characters and the service of printing or over printing.
- (f) The service of 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 rent single or multiple unit residences or offices or other commercial space.
- (g) 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.
- (h) 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.
- (i) Gross proceeds derived from the operation of punch boards, slot machines, marble machines, juke boxes, merchandise vending machines or amusement devices of any kind.
- (j) 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 the 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, fees or dues.
- (k) For the purpose of this Ordinance, sales and services of tangible personal property made for the purpose of developing and improving real estate, even though such real estate is intended for resale as real property, are hereby declared to be sales to consumers or users. Sales and/or services of tangible personal property, including materials, supplies and equipment made to contractors who use same in the performance of any contract, are hereby declared not to be sales to consumers or users. 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.
- (l) Services of dry cleaners, laundries, garages, barber and beauty shops, cold storage and locker plants.

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(m) Other service falling within the meaning as defined in Section 1, and not specifically excluded by Section 4.

(n) Retail sales of motor fuels.

SECTION 4 The tax hereby levied shall not apply to the following;

(a) Casual and isolated sales not exceeding fifty (\$50.00) dollars and not made in the regular course of business.

(b) Sales of insurance and bonds of guaranty and fidelity.

(c) Gross receipts or proceeds derived from funeral charges and services, medical or dental services rendered, and hospital services.

(d) 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.

(e) Gross receipts or proceeds derived from the transportation of students to and from grade or high schools in motor or other vehicles.

(f) 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.

(g) Gross receipts or proceeds derived from carrier sales made directly to consumers or users of newspapers or any other periodicals.

(h) Gross receipts or proceeds derived from sales or services which the municipality is prohibited from taxing under the laws of the Territory 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.

(i) Gross receipts or proceeds derived from sales to the United States Government, Territory of Alaska, any political subdivision thereof, or the City of Palmer, Alaska.

(j) Dues or fees to clubs, labor unions or fraternal organizations.

(k) 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.

(l) Sales of tickets for school entertainments, school athletic events, and activities conducted for eleemosynary purposes or community benefits.

(m) Bulk sales of feed, seed and fertilizer to farmers.

(n) Interstate air, train and boat fares.

(o) Receipts from the filling of Doctor's prescriptions by licensed pharmacists.

(p) Sales of drugs and medicines for use in hospitals and clinics.

(q) Sales of food supplies to cafes, restaurants and other establishment where food is sold to the public for use in the normal course of business of cafes and restaurants and such other establishments.

(r) Sales of food supplies to hospitals to children's homes having 6 or more charges, recreational camps and schools shall be exempt provided a certificate authorizing such exemption is first obtained from the City.

SECTION 5 The maximum tax on contract construction of buildings or residences or any single piece of machinery or equipment such as a car or a boat or an engine shall be ten (\$10.00) dollars; and, even though the single sale of one article may run to several thousands of dollars, only the first five hundred (\$500.00) dollars shall be subject to tax under the terms and provisions of this Ordinance. It is specifically provided, however, that sales of supplies, ice, or oil or gas, or 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.

And for the purpose of facilitating the collection of the tax and for the convenience of the consumer, the following special application of this regulation shall prevail:

(a) The consumer who proposes to construct a building 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 under this Ordinance; and the subsequent showing of the tax receipt then issued shall exempt said consumer for a period not to exceed one 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 transferrable, 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 merchant or seller from the obligation to collect the tax, as in Section 7 provided.

(b) In the event that the building or buildings for the project is to be erected outside of the City of Palmer, the consumer may pay the tax to the city clerk and receive a receipt which shall be considered by the merchant or seller as prima facia evidence of the previous payment of such tax for any purchase for the particular project described on the tax receipt; showing of such receipt at the time of the purchase of goods, materials or articles without further payment of tax and will relieve the merchant or seller from the obligation to collect the tax, as in Section 7 provided.

(c) In the event that any other single 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 consumer may, in order to avoid the payment of multiple taxes, obtain from the city clerk a receipt showing the maximum payment of the tax and the description of the project; the showing of such receipt 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 merchant or seller from the obligation to collect the tax, as in Section 7 provided.

SECTION 6 Every seller making the retail sales and every person performing services, on or before the tenth (10th) day of each month shall make out a return for the preceding month upon forms to be provided by the City Clerk, setting forth the amount of all sales and services, all non-taxable sales and services, and all taxable sales and services for the preceding month, the amount of the tax thereon, and such other information as the city clerk may require, and sign and transmit the same to the City Clerk. The tax levied under this Ordinance, whether or not collected from the buyer, shall be paid by the seller and/or person performing services, to the city clerk in monthly installments 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, ~~and as~~ as herein provided a penalty of five (5%) per centum of such tax shall be added to the tax for the first month or fraction thereof of delinquency, and an additional five (5%) per centum for each additional month or fraction thereof of delinquency until a total penalty of fifteen (15%) per centum has 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 six (6%) per centum per annum on the delinquent tax from the date of delinquency until paid shall accrue and be collected in the same manner the delinquent tax is collected.

Such returns shall show such further information as the city clerk may require to enable him to compute correctly and collect the tax herein levied. In addition to the information required on returns, the city clerk may request and the taxpayer must furnish any information deemed necessary for a correct computation of the tax. Such taxpayer shall compute and remit to the city clerk the required tax due for the preceding months and the remittance or remittances of the tax must accompany the returns herein required. If not paid on or before the last day of each month, the tax shall be delinquent from such date, and collection shall be enforced under the terms of this Ordinance as set forth in Sections 7 & 9.

It shall be the duty of every taxpayer required to make a return and pay any tax under this Ordinance, to keep and preserve suitable records of the gross daily sales together with invoices of purchases and sales, bills of lading, bills of sale 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 Ordinance as will substantiate and prove the accuracy of such returns. It shall also be the duty of every person who makes sales for resale to keep records of such sales which shall be subject to examination by the city clerk or any authorized employee thereof while engaged in checking or auditing the records of any taxpayer required to make a report under the terms of this Ordinance.

All such records shall remain in the City of Palmer and be preserved for a period of three (3) years, unless the City Clerk in writing has authorized their destruction or disposal at an earlier date, and shall be open to examination at any time by the city clerk or any authorized employee thereof while engaged in checking such records. The burden of proving that a sale was not a taxable sale shall be upon the person making the sale.

SECTION 7 The tax levied hereunder shall be paid by the consumer or user of the seller, and it shall be the duty of each and every seller of the City of Palmer to collect from the consumer or user, the full amount of the tax imposed by this Ordinance, except that the tax on receipts or proceeds from the various mechanical devices as stipulated in Paragraph (i), Section 3, shall be paid by the owner and/or operator thereof.

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Sellers shall add the tax imposed under this Ordinance or the average equivalent thereof, to the sales price or charge, and when so added such tax shall constitute a part of such price or charge and shall be a debt from the consumer or user to the vendor until paid, and shall be recoverable at law in the same manner as other debts. Performers and/or sellers of services shall be considered sellers of the purpose of this Section.

Sellers shall add this tax to the sale price or service charge 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 " 1.64	.03
\$1.65 " 2.24	.04
\$2.25 " 2.64	.05
\$2.65 " 3.24	.06
\$3.25 " 3.64	.07
\$3.65 " 4.24	.08
\$4.25 " 4.64	.09
\$4.64 " 5.24	.10

Over \$5.24 continue on same scale.

SECTION 8 All monies accumulated under the terms of this Ordinance shall be deposited by the city clerk with the Palmer Bank or such other bank as the Common Council of the City of Palmer, Alaska shall determine in an account titled General Purpose Fund, City of Palmer and no part of these funds may be diverted to any use other than herein stipulated. Expenditures from these funds may be made at the discretion and only by the order of the Common Council for the uses stipulated.

SECTION 9 A seller who wilfully or intentionally fails, neglects or refuses to collect the full amount of the tax imposed by this Ordinance, or wilfully or intentionally fails, neglects or refuses to comply with the provisions of this Ordinance, or permits or rebates to a consumer or user, either directly or indirectly and by whatsoever means, all or any part of the tax levied by this Ordinance, or makes in any form of advertising, verbally or otherwise, any statement which infers that he is absorbing the tax, or paying the tax for the consumer or user by an adjustment of prices or at a price including the tax, or in any manner whatsoever, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than twenty-five (25.00) dollars, and upon conviction for a second or other subsequent offense, shall be fined not more than one hundred (\$100.00) dollars, or imprisoned in the City Jail for not more than thirty (30) days, or both such fine and imprisonment.

Any person, firm, co-partnership or corporation violating any of the provisions of this ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than twenty-five (25) dollars or more than one hundred (100) dollars; and upon conviction of a second or subsequent offense, shall be fined not more than one hundred (100) dollars or imprisoned in the City Jail not more than thirty (30) days or both such fine and imprisonment in the discretion of the City Magistrate, and shall pay the costs of prosecution.

SECTION 10 If any section sub-section, clause, sentence, or phrase of this Ordinance is held to be invalid, the decision shall not affect the validity or the meaning of the remaining portions of this Ordinance. The Common Council of the City declares that it would have passed this Ordinance and each section, sub-section, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses or phrases be declared invalid.

SECTION 11 Ordinance No. 10 is hereby repealed as of the time when this ordinance takes effect.

This Ordinance shall be in full force and effect and Ordinance No. 10 is repealed from and after 12:01 A. M. the 1st day of January 1954.

First reading: December 1, 1953
Second reading: December 15, 1953

Third reading: December 22, 1953
Passed and approved this 22nd day of Dec. '53

ATTEST:

/s/ Elizabeth Barry, City Clerk

/s/ Don McKezore, Mayor of the City of Palmer