

CITY OF PALMER, ALASKA

ORDINANCE NO. 448

AN ORDINANCE AMENDING THE SALES TAX CODE, SECTION 3.16.040 (EXAMPLES OF TAXED TRANSACTIONS) AND SECTION 3.16.050 (EXCEPTIONS).

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be of a permanent nature and shall become a part of the City of Palmer Code of Ordinances.

Section 2. Severability. If any provisions of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Section 3.16.040 is amended to read as follows:

3.16.040 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:

A. 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;

B. Supplying natural or artificial gas, electricity, ice, steam, water and all services by a public or private 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 shall not include deposits;

E. Printing or printed matter of all types, kinds and characters and the service of printing or overprinting;

F. Renting rooms or living quarters or offices or other commercial space of whatever name or nature by hotels, apartments, roominghouses, public lodginghouses or by firms or individuals renting single or multiple-unit residences or offices or other commercial space, including state or federally subsidized rentals. For purposes of computing the maximum tax, a rental of property for a period in excess of one month shall be deemed as a series of rentals with each rental transaction terminating as a rental payment is made. The maximum sales tax payable shall be applicable to each deemed rental with tax payments to accrue and become payable at the time of filing the next monthly return to be submitted following receipt of the rental;

G. Foods, confections, and all liquors, beverages and drinks sold and dispensed by retail stores, 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 characters contracted for or sold in the city, including any and all devices used for advertising purposes and the servicing of advertising devices;

I. Gross proceeds derived from the operation of punchboards, slot machines, marble machines, jukeboxes, merchandise-vending machines, pull-tabs, 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 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 declared to have a value equivalent to the sale price or value of the tickets, passes, admissions dues or fees;

K. 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;

L. Services of drycleaners, laundries (including self-service laundry and drycleaning machines); garages, barbershops, beauty shops and cold storage and locker plants;

M. Retail sales of motor fuels, oils and lubricants;

N. 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;

O. The provision of electrical, telephone, water, garbage, sewer, natural gas and cablevision utility services including the installation and connections charges and fees.

Section 4. Section 3.16.050 is amended to read as follows:

3.16.050 Exceptions. The tax levied shall not apply to the following:

A. Casual and isolated sales not exceeding fifty dollars and not made in the regular course of business;

B. Sales of insurance and bonds of guaranty, fidelity, and surety;

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 of similar business;

E. Gross receipts or proceeds derived from the transportation of students to or 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 lunchrooms operated primarily for the public and not operated for profit;

G. Gross receipts or proceeds derived from sales or service which the municipality is prohibited from taxing under the laws of the state or under the laws of the United States; or gross receipts of 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;

H. Gross receipts or proceeds derived from carrier sales made directly to consumers or users of newspaper or any other periodicals;

I. Gross receipts or proceeds derived from sales to the United States Government or the state or any political subdivision thereof, including the city; provided, however, that the exemption shall not apply to the sale of material and supplies to the 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;

J. Dues or fees to clubs, labor unions or fraternal organizations;

K. Real estate agent's gross receipts received on behalf of the 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 up to the first

five hundred dollars of the commission;

L. Sales of tickets for school entertainments, school athletic events, and activities (excluding, without limitation, those of the type described in 3.16.040 I) conducted for charitable purposes or community benefits;

M. Bulk sale of feed, seed and fertilizer to farmers/

N. Interstate air, train and boat fares;

O. Receipts from filling of doctors' 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 establishments where food is sold to the public for use in the normal course of business of cafes, restaurants and other such establishments;

R. Sale of food supplies to hospitals, childrens' homes having six or more charges, recreational camps and schools, provided a certificate authorizing such exemption is first obtained from the city;

S. The maximum tax on contracts for the original constructions of private buildings or private residences of sale of equipment shall be ten dollars; and even though the single sale of those articles of tangible personal property may run to several thousands of dollars, only the first five hundred dollars shall be subject to tax;

T. Services by an individual which do not exceed one thousand five hundred dollars per calendar year of January 1st to December 31st and are not licensed by the state;

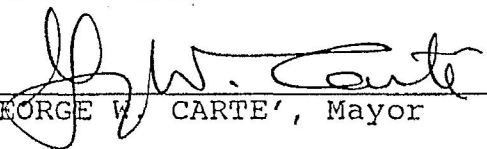
U. Food coupons, food stamps and other certificates issued under 7 U.S.C. 2011-2025 (Food Stamp Act) or food instruments, food vouchers or other type of certificate issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women, Infants and Children.)

Section 5. Publication and Effective Date. This ordinance shall become effective immediately upon its adoption. Publication shall be by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its adoption, and further it shall be published by being printed and included in the Palmer Municipal Code at its next regular supplementation and printing. A notice of public hearing shall be given by such posting at least five (5) days before final passage.

First Reading: July 28, 1992

Public Hearing &
Second Reading: August 11, 1992

Adopted by the City Council of the City of Palmer, Alaska, this 11th day of August, 1992.



GEORGE W. CARTE, Mayor

DAVID L. SOULAK
City Clerk