

CITY OF PALMER, ALASKA

ORDINANCE NO. 493

AN ORDINANCE INCREASING THE SALES TAX FROM TWO PERCENT TO THREE PERCENT BY AMENDING SECTIONS 030 (TAX LEVIED--RATE) AND 110 (TAX RATE) OF CHAPTER 16 (SALES TAX) OF TITLE 3 (REVENUE AND FINANCE) OF THE PALMER MUNICIPAL CODE.

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. Code section 3.16.030 is amended to read as follows:

3.16.030 Tax levied--Rate. A. A sales tax of three percent of the sales price or charge is levied on all sales, rentals and services made within the city. The buyer shall pay the tax to the seller for the use and benefit of the city; provided, however, that the seller need not collect sales tax but the seller must in any event pay the tax to city whether collected or not.

B. Maximum Tax. A three percent sales tax shall be applied only to the first five hundred dollars of each separate sale of an item or items, rent or service transaction. The payment of rent, whether for real or personal property, in excess of five hundred dollars and for more than one month shall be treated as several separate transactions covering the rental for one month each. A transaction involving payment for services or personal property to be rendered or delivered over a period of more than one month for a consideration in excess of five hundred dollars shall be treated as several separate transactions occurring one each month over the period of time that the service or property is rendered or delivered.

C. For purposes of the tax levied by this section, a sale of tangible personal property is made within the city if:

1. The sale is made by a business located within the city and delivery occurs within the city;
2. The sale is made by a business located outside of the city and delivery occurs within the city.

D. The tax levied by this section is applicable to all services rendered within the city, notwithstanding the fact that the business may be located outside of the city or that solicitation or payment may have occurred outside the city.

E. The sales tax on rentals is applicable to rentals for all real property located within the city and to rentals of personal property from a business within the city and from a business

located outside the city when the personal property is used in the city.

Section 4. Code section 3.16.110 is amended to read as follows:

3.16.110 Tax rate. Sellers may collect an amount up to the amount shown in this schedule:

| <u>Charge</u> | <u>Tax</u> |
|----------------|------------|
| Under \$.17 | None |
| .18 thru .50 | \$.01 |
| .51 thru .83 | .02 |
| .84 thru 1.17 | .03 |
| 1.18 thru 1.50 | .04 |
| 1.51 thru 1.83 | .05 |
| 1.84 thru 2.17 | .06 |
| 2.18 thru 2.50 | .07 |
| 2.51 thru 2.83 | .08 |
| 2.84 thru 3.17 | .09 |
| 3.18 thru 3.50 | .10 |
| 3.51 thru 3.83 | .11 |
| 3.84 thru 4.17 | .12 |
| 4.18 thru 4.50 | .13 |
| 4.51 thru 4.83 | .14 |
| 4.84 thru 5.17 | .15 |

Over \$5.17, continue on same scale up to five hundred dollars.

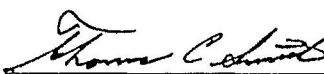
Section 5. . Publication and Effective Date. This ordinance shall become effective at midnight March 31, 1996. Publication shall be by making copies available to the public, and further it shall be published by being printed and included in the Palmer Municipal Code at its next regular supplementation and printing. Publication may also be made by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its adoption. A notice of public hearing shall be given by such posting at least five (5) days before final passage.

First Reading: February 13, 1996

Public Hearing &
Second Reading: February 27, 1996

Adopted by the City Council of the City of Palmer, Alaska, this 27th day of February, 1996.


HENRY P. GUINOTTE, Mayor


THOMAS C. SMITH
City Clerk