



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Sales Tax Ordinance Review Committee

Tuesday, November 26, 2013

12:00 PM

Borough Assembly Chambers

1. Call to Order/Roll Call

- Present** 5 - Committee Member John Murgass, Committee Member Hillary Whitethorn, Committee Member Nancy Strand, Committee Member Fran Jones, and Sue Flint
- Absent** 2 - Committee Member Lee Corrao, and Committee Member Shelly Pope

2. Approval of the Minutes

[13-309](#)

Meeting Minutes From October 30, 2013

Attachments: [Sales Tax Meeting 10-30-13.pdf](#)

approved

3. Amendment & Approval of Meeting Agenda

approved

4. Visitors Views Unrelated to Agenda

5. Visitors Views Related to Agenda

6. Staff Report

7. Unfinished Business

[13-314](#)

Sales Tax Exemptions - Unedited

Attachments: [Original Exemptions.pdf](#)

Finance Director Tow handed out an edited list of the sales tax exemptions. The proposed changes added items that are mandated by the State but were not included in the Borough's tax ordinance because they either didn't apply at the time the exemptions were last reviewed by a committee or they are just assumed. They include the sales to or by federally chartered credit unions or credit unions organized under AS 06.45, assisted living services & adult dependent care, purchases by the United States Government, State of Alaska, the Petersburg Borough, or a federally recognized Indian Tribe. Membership dues, initiation fees and donations paid to: Labor Unions, fraternal organizations, and other nonprofit organizations that have obtained a 501(c) exemption certificate from the Internal Revenue Service. Finance Director Tow also proposed modifying the sales of goods or services for use outside the borough by modifying where the point of sale took place. Currently, to claim an exemption, the point of sale can take place within the borough, Tow suggested it only be allowed if the order was received from outside the borough by mail, telephone, or other similar public communication where delivery of the property or performance of services ordered is made outside the borough via common carrier. Juneau currently does it this way. Committee Member Jones said it would kill sales for local businesses because the out-of-town shopper will just shop somewhere else. The committee members present were not in agreement to change the current wording for the point-of-sale exemption.

The Sales Cap was reviewed but no recommendations were made. Member Jones stated that she would like to leave the tax cap at \$1,200 to be more competitive with other communities. Member Murgas agreed, and no recommendation was made by the committee. A suggestion was made to remove the utility services off the exemption list, no recommendation was made. Member Murgas brought up that sales had increased this summer and that perhaps nothing was needed to be done at this time. Finance Director Tow stated that sooner or later the Borough was going to have to come up with a way to offset the increase in senior population and thus the increase amount of senior exemptions.

No recommendations were made by the committee.
discussed

8. New Business

The next meeting is scheduled for noon, on January 3rd to discuss the Senior Exemptions.

9. Communication

10. Discussion Items

11. Adjournment

Meeting adjourned at 1pm.