

Introduced by: Fischer
Date: September 5, 1978 Tabled
Hearing: October 1978
Vote:
Action:

KENAI PENINSULA BOROUGH

ORDINANCE 78-53

AN ORDINANCE AMENDING CHAPTER 5.16 OF THE BOROUGH CODE
PERTAINING TO THE SALES TAX.

WHEREAS, the basic philosophy of a sales tax is that it is a tax on the ultimate retail sale and not to incidental sales in the process of manufacturer or the sale of services which constitute a subsale prior to the ultimate retail sale; and

WHEREAS, the present sales tax ordinance of the Borough exempts personal property sold as raw materials in the manufacturing process, but does not exempt services of the same category; and

WHEREAS, the present sales tax ordinance is inconsistent in exempting the ultimate retail sale of real property;

NOW THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE
KENAI PENINSULA BOROUGH:

Section 1. That Section 5.16.010 F. 1. of the Borough Code be amended to read as follows:

F. "Sale" or "retail sale" includes:

1. Every sale of services; except services of a subcontractor, craftsman, or middle man, who provides services to a contractor or wholesaler of services or tangible property as a component part of an ultimate retail sale to the retail buyer.

Section 5.16.010 F. 2. is amended to read:

2. Every rental of real or personal property; and retail sales of real property, and services performed by a real estate broker or agent.

Section 2. That Section 5.16.090, subparagraph H. is deleted and repealed, and Section 5.16.090, subparagraph I. is relettered as subparagraph H., subparagraph J. is relettered as subparagraph I., subparagraph K. is relettered as subparagraph J., subparagraph L. is relettered as subparagraph K., and subparagraph M. is relettered as subparagraph L.

Section 3. That this ordinance takes effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH
ON THIS _____ DAY OF _____, 1978.

JoAnn Elson, Assembly President

ATTEST:

Borough Clerk