

Introduced by: Dimmick, Jean &  
Arness, of Spec.  
Tax Committee  
Date: Jul. 20, 1982, Recon. 8-1  
Hearing: Sept. 7, 1982  
Vote: 8 Yes, 6 No  
Action: Defeated w/Reconsideration

KENAI PENINSULA BOROUGH

ORDINANCE 82-57

AMENDING CHAPTER 5.16 OF THE BOROUGH CODE OF ORDINANCES TO INCREASE THE TAX BASE TO PROVIDE A MORE EQUITABLE SALES TAX SYSTEM, AND EXEMPTING SALES OF FUEL OILS FOR HEATING AND SALES OF PROPANE, NATURAL GAS AND ELECTRICITY.

WHEREAS, the present sales tax system of the Borough is inequitable in its impact upon the taxpayers partially because two percent is collected on only 40 percent of the gross sales in the Borough; and

WHEREAS, inflation has caused an escalation in the cost of basics, necessities, and utility services to Borough residents who cannot escape the impact of the sales taxes; and

WHEREAS, the escalation in the retail prices of fuels for heating has burdened consumers, and imposed substantial hardships upon numerous Borough residents; and

WHEREAS, the imposition of a Borough sales tax upon the retail sales of fuel results in additional costs to be borne by consumers for a vital necessity; and

WHEREAS, an increased tax base will be more equitable and can offset the effect of any additional exemptions, including the exemption from sales tax on necessary fuel purchases; and

WHEREAS, the Assembly finds that relief to consumers from the high cost of fuel is warranted, and that such relief is not likely to be provided by the producers or suppliers;

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

Section 1. That Section 5.16.090 of the Borough Code of ordinances is amended by adding a new Subsection (O) to read:

O. All home energy costs will be exempt from Borough sales tax.

Section 2. That this ordinance takes effect at 12:01  
a.m., on October 1, 1982 Alaska Standard Time.  
DEFEATED

---ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON  
THIS 7th DAY OF September, 1982.

  
\_\_\_\_\_  
John G. Davis, Assembly President

ATTEST:

  
\_\_\_\_\_  
Francis Bryner  
Borough Clerk