

Introduced by: Hodgins  
Date: February 6, 1990  
Hearing: March 6, 1990  
Action: FAILED INTRODUCTION 2-6-90  
Vote:

KENAI PENINSULA BOROUGH

ORDINANCE 90-9

ESTABLISHING AN EFFICIENT MEANS OF DETERMINING BUSINESSES WHICH ARE ELIGIBLE FOR EXEMPTION FROM SALES TAX

WHEREAS, the language of Borough Codes Section 5.18.260 M is not specific as to which entities are exempt from collecting or paying sales tax, and

WHEREAS, both the public and the administration would be well served by a more specific list of nonprofits which are exempt, and

WHEREAS, the Internal Revenue Service publishes a list of nonprofit entities which includes the type of entity, its purpose, and the IRS code section under which the entity is exempt, and

WHEREAS, IRS code section number is a common way of identifying nonprofit organizations,

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

Section 1. Section 5.18.260 M of the Borough Code is hereby repealed and replaced with a new section 5.18.260 M as follows:

Section 5.18.260 M. Organizations which are exempt from federal taxation under the following sections of the Internal Revenue Service Code of 1986 shall be exempt from both collection and payment of sales tax except as otherwise provided in this section:

501(c)(1) through and including all sections to 501(c)(23), 501(d), 501(e), 501(f), 501(k), 521(a).

No exemption certificate shall be approved by the mayor until the applicant has produced suitable evidence that it is a nonprofit corporation which has received tax-exempt status, under one of the above sections, from the United States Internal Revenue Service. Sales of food or liquor sold in the course of regularly conducted operations by entities qualified for exemption by this subsection shall not be exempt from sales tax.

Section 2. A new section 5.18.260 R is adopted:

5.18.260 R. Retail sales of food by primary, secondary, post-secondary schools, colleges, and universities, when such sales are primarily to students and teachers.

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

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON  
THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1990.

\_\_\_\_\_  
James W. Skogstad, Assembly President

ATTEST:

\_\_\_\_\_  
Borough Clerk