

Introduced by: Skogstad @
request of Sales Tax Task Force
Date: November 13, 1990
Hearing: Dec. 11, 1990
Vote: Unanimous Consent
Action: Enacted
Carried Over: Jan. 8, 1991

KENAI PENINSULA BOROUGH

ORDINANCE 90-71

AMENDING THE BOROUGH SALES TAX CODE TO FACILITATE MORE EFFECTIVE
ADMINISTRATION

WHEREAS, the Borough Assembly has appointed a Sales Tax Task Force composed of Borough Assembly members, city officials, and members of the public, to examine the way the sales tax code is implemented, among other issues; and

WHEREAS, the Sales Tax Task Force has made recommendations to the assembly for amending the borough sales tax code in the area of administration; and

WHEREAS, it is desirable to amend the code to allow for more efficient implementation and interpretation of the code;

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

Section 1. That KPB 5.18.140 is repealed and reenacted as follows:

5.18.140 Administration enforcement authority-- request for ruling. A. The mayor shall have the authority to enforce proper registration, reporting and tax collection requirements imposed in this chapter, including the authority to implement and interpret this chapter, in a manner consistent with the provisions of this chapter.

B. Any taxpayer under this chapter, or any seller obliged to collect the tax under this chapter, or any borough official may apply to the mayor for a determination on the application of this chapter to an actual fact situation.

Section 2. That KPB 5.18.310(D) is repealed and reenacted as follows:

5.18.310 Certificate issuance--Display required-- Compliance agreement--Bond requirements.

D. Before issuing a registration certificate, the mayor may require an applicant to post a cash or other bond with the borough in an amount sufficient to insure the full and prompt collection and payment of sales taxes. The bond is forfeited upon the failure to file any sales tax return; however, the borough reserves the right to collect any and all delinquent amounts owed by the applicant.

Section 3. That KPB 5.18.500 is repealed and reenacted as follows:

5.18.500 Returns--Filing required--Filing schedule.

A. Every seller shall file a sales tax return, on forms furnished by the borough, according to the filing schedule established by the borough for that seller, whether or not any sale was made.

B. All sellers shall file sales tax returns on a quarterly basis, except as follows:

1. For the first 6 months after a sales tax certificate is issued, returns shall be filed monthly.

2. When the seller enters into a secured payment agreement with the borough, returns shall be filed monthly, until all delinquencies are cured, and for six months thereafter.

3. For accounts which have had less than \$1000 in taxable sales in the preceding 12 months, returns may be filed annually.

4. A seller with a delinquent account, which includes a balance due of over \$25, or a missed filing, who fails to cure the delinquency within 15 days of the date of a notice of delinquency sent by regular mail, shall file on a monthly basis.

C. Where a new certificate is issued because of a change in the form of the seller's organization, or a change in the seller's business name that does not affect the ownership, the seller may be permitted to file quarterly, depending upon the seller's sales tax return filing history.

D. A seller may apply at any time to the borough, in writing, for a change in filing schedule. The borough

may consider the seller's sales tax return filing history in making a determination on the application, but no change shall be approved unless the seller has substantially complied with this chapter for the six-month period preceding the application.

Section 4. That KPB 5.18.530 is amended as follows:

5.18.530 Returns--Credit for costs of collection.

A. If a return is filed and tax payments are remitted by the filing deadline a seller in full compliance with this chapter may retain 5% of the tax collected, to a maximum of \$1000 per quarter, to cover the costs of collecting the tax.

B. If the seller is not in full compliance with this chapter, the seller is not eligible for and may not retain the 5% credit.

C. Full compliance for the purposes of this section means that a seller does not have an account with a balance due, or does not have a missing or incomplete return outstanding.

Section 5. That KPB 5.18.610 is repealed and reenacted as follows:

5.18.610 Failure to register--criminal penalty--civil penalty--other remedies. A. A seller who failure to obtain a registration certificate as required by this chapter, after notice in writing of the obligation to register has been delivered personally or by regular mail to the seller, the seller's place of business, or the last known address of the seller is subject to a civil penalty not to exceed \$1000, in addition to any taxes, penalties, interest, costs and actual attorney fees that may be assessed against the seller.

B. The mayor may pursue any other civil or criminal remedies at law against a seller who fails to obtain a registration certificate required by this chapter, including injunctive relief.

Section 6. KPB 5.18.200 (C) (1) (a) be amended as follows: "The sales are not liquor sales or sales of food sold through regularly conducted restaurant type operations".

Section 7. That this ordinance is effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS
8th DAY OF January, 1991.

James W. Skogstad
James W. Skogstad, Assembly President

ATTEST:

Janet A. Sumey
Janet A. Sumey, Borough Clerk