

Introduced by: Wiley
Date: 2/18/97
Hearing: 3/18/97
Action: Defeated
Vote: 1 Yes, 8 No

**KENAI PENINSULA BOROUGH
ORDINANCE 97-13**

**AN ORDINANCE AMENDING KPB 5.18.430, SALES TAX, BY INCREASING
MAXIMUM TAX TO SALES ON \$1,000**

WHEREAS, taxes are an unpopular necessity of government; and

WHEREAS, the Kenai Peninsula Borough sales tax code written in the 1960's has never been adjusted for inflation; and

WHEREAS, funds received from sales tax help support Kenai Peninsula schools; and

WHEREAS, education is a primary responsibility of borough government;

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

SECTION 1. That Kenai Peninsula Borough Code of Ordinances Section 5.18.430 shall be amended to read:

5.18.430 Computation — Maximum tax.

The tax shall be applied only to the first \$1,000.00 [500.00] of each separate sale, rent or service transaction, except as otherwise provided in this section.

A. Except as provided below for long-term vehicle leases, the payment of rent, whether for real or personal property, in excess of \$\$1,000.00 [500.00] and for more than one month, shall be treated as several separate transactions covering the rental/lease for one month each.

B. A transaction involving payment for services or personal property to be rendered or delivered over a period of more than one month for a consideration in excess of \$\$1,000.00 [500.00] shall be treated as several separate transactions occurring one each month over the period of time that the service or property is rendered or delivered.

C. Services provided on account and billed to the customer on a monthly basis are subject to application of the tax on a maximum of \$\$1,000.00 [500.00] of each monthly billing, per account.

D. Each night's rental of each individual room shall be considered a separate transaction and therefore the maximum tax computation shall be calculated on a per room per night basis.

E. Long-term vehicle leases shall be treated as one transaction per year, and per fractional year, of the lease term. The tax paid for any fraction of a year shall equal the tax paid for

a whole year. The sales tax for the entire long-term vehicle lease shall be due and collected at the time of the first payment. There shall be no refund of such taxes should the lease terminate earlier than on its terms. Any extension of the initial lease term shall be treated as a new long-term vehicle lease.

SECTION 1. That this ordinance shall become effective upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS _____ DAY OF _____, 1997.

Jack E. Brown, Assembly President

ATTEST:

Gaye J. Vaughan, Borough Clerk