

Sponsored by: Citizen Initiative Ordinance
Election Date: 10/07/08
Certification Date: 10/14/08
Vote: 60.15% Yes, 39.85 % No

**KENAI PENINSULA BOROUGH
INITIATIVE ORDINANCE**

**AN ORDINANCE FOR A SEASONAL (SEPTEMBER 1 TO MAY 31) EXEMPTION OF
ALL SALES OF NONPREPARED FOOD ITEMS FROM BOROUGH SALES TAX**

WHEREAS, taxation of basic food items can create a serious hardship for residents within the Kenai Peninsula Borough; and

WHEREAS, since last year, the Kenai Peninsula Borough has raised its sales tax percentage by 50% (from 2% to 3 %), and has experienced huge sales tax revenue increases from the increase price of fuel, groceries, and other necessities required by our local residents, resulting in a huge windfall of revenue to Borough coffers; and

WHEREAS, such taxation can be particularly difficult for families, the elderly, low income individuals and unemployed people; and

WHEREAS, a seasonal sales tax exemption will afford relief almost exclusively to residents of the Kenai Peninsula Borough; and

WHEREAS, burdening individuals and families who are least able to pay with taxation of products necessary for their survival is not in the best interest of our society; and

WHEREAS, most state governments exempt sales tax on unprepared food items and, of the minority that so tax unprepared food, many do so at a reduced rate; and

WHEREAS, the collection of revenue required for borough and municipal operation can be more fairly accomplished without burdening our local residents, who are least able to support such taxation.

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

SECTION 1. That the Kenai Peninsula Borough Code is hereby amended by creating a new Section 5.18.200(15)(c) to read as follows:

5.18.200. (15)(c) Exemptions/waivers - Sales of nonprepared food items. Sales tax is prohibited on all sales of nonprepared food items from September 1 until May 31 of each year. These food items exempted from sales tax include those which have been previously granted exemption in KPB 5.18.200(14) for food purchased with

coupons issued under the federal food stamp program.

SECTION 2. If approved by a majority of the voters, voting on this question at a regular or special election held for that purpose; this ordinance shall take effect January 1 of the year following the certification of that election.

ENACTED BY THE VOTERS OF THE KENAI PENINSULA BOROUGH AT AN ELECTION HELD ON THE 7TH DAY OF OCTOBER, 2008 WITH CERTIFICATION ON OCTOBER 14, 2008.