

Introduced by: Mayor
Date: Nov. 17, 1987
Vote: Unanimous
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 87-105

ESTABLISHING PROCEDURES FOR RULE MAKING AND INTERPRETATION OF KPB Chapter 5.18 REGARDING THE BOROUGH SALES TAX.

WHEREAS, the borough has instituted a sales tax ordinance codified at KPB Chapter 5.18, which chapter contains specific requirements regulating the levy and collection of the sales tax; and

WHEREAS, in administering the sales tax it is necessary that the taxpayer or a seller obliged to collect the tax be provided a procedure for interpretation of the application of the various provisions to a specific fact situation; and

WHEREAS, KPB 5.18.210 provides that the mayor may adopt appropriate regulations and procedures to facilitate the interpretation of Chapter 5.18, provided that regulations establishing procedures for rule making and interpretation be approved by the assembly; and

WHEREAS, there have been occasions throughout the history of the borough sales tax whereby an earlier interpretation regarding taxability which the borough administration provided to an inquiring seller was later reversed or overturned; and

WHEREAS, in those cases where the inquiring seller relied upon the affirmative representation of the borough that the tax was not applicable to certain sales and the borough later reversed or altered its position, it is necessary that authority be provided to waive the interim imposition of tax as the borough would be estopped to pursue collection through the courts in such an instance;

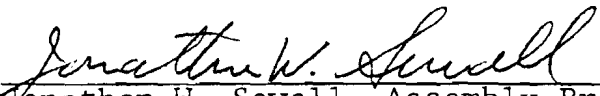
NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:


Section 1. That the sales tax regulations establishing procedure for interpretation of Chapter 5.18, attached hereto and incorporated herein by reference, are hereby approved.

Section 2. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 17th DAY OF November, 1987.

ATTEST:


Jonathan W. Sewall, Assembly President


Joanne Bradley
Borough Clerk

SALES TAX REGULATION

RE: Administrative interpretation of the application of KPB 5.18 BOROUGH SALES TAX, and provision for waiver of liability of taxes and penalties where Borough is legally estopped to pursue collection.

A. In conformance with KPB 5.18.210 regarding interpretation of the application of Borough sales tax to specific factual situations, the Borough Finance Director is authorized to establish a procedure whereby specific Finance Department personnel are designated as the Administration's public contact for public inquiry regarding application of the sales tax.

B. Where an interpretation is affirmatively provided by the Borough to an inquiring seller and the seller in reasonable reliance upon that interpretation fails to collect a sales tax which collection is later determined to have been legally required under KPB Chapter 5.18, then the Mayor may waive the liability for those taxes and penalties, provided that the Assembly shall be notified in writing of any such instance of waiver.

DEG:PAR:bl