

Introduced by: Mayor  
Date: Sept. 19, 1989  
Action: Defeated  
Vote: 9 No, 6 Yes

KENAI PENINSULA BOROUGH

RESOLUTION 89-104 (Motion to Reconsider)

APPROVING POLICY CONCERNING SALES TAXATION OF GAMING SALES

WHEREAS, nonprofit organizations with gaming permits have objected to the borough requiring collection of sales tax on the actual sales price of gaming items such as pull tab tickets because the net receipts from the gaming sales benefit the nonprofit organization, and the net receipts would be less if the tax were collected on the actual sale amount; and

WHEREAS, such organizations have proposed that the borough collect sales tax on the gaming sale receipts after prizes have been awarded; and

WHEREAS, the mayor has been authorized to adopt procedures to facilitate the collection of sales taxes pursuant to KPB 5.18.210(A);

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

Section 1. That the assembly hereby approves the policy concerning sales taxation of gaming sales, attached to and incorporated as part of this resolution by reference.

Section 2. That this resolution takes effect immediately upon its adoption, and this policy is effective until such time as the State of Alaska adopts regulations concerning vendors of gaming sales, in which case this policy will lapse.

~~ADOPTED~~  
DEFEATED

~~ADOPTED~~ BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 10th DAY OF October, 1989.

Jonathan W. Sewall, Assembly President

ATTEST:

  
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Borough Clerk



## KENAI PENINSULA BOROUGH

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**DON GILMAN**  
MAYOR

### POLICY MEMORANDUM

September 19, 1989

RE: Interpretation of What Sales Tax is Due on Gaming Sales

For gaming sales, the "gross sales price of the seller," upon which the sales tax is based (see KPB 5.18.255(G)), is measured by the actual sales price of tickets in a series minus the portion of total prizes awarded in the series. For example, if the series consists of 1000 tickets sold at \$1.00 each, and \$700 is the fixed amount to be paid out in prizes, then the ticket price of \$1.00 would be taxable as a \$0.30 sale. This interpretation only applies to games of chance like pull tabs, where there is a fixed prize amount per fixed amount of tickets in a series.

  
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Don Gilman, Borough Mayor