

Adopted

HAINES BOROUGH

ORDINANCE 04-07-073

AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 3, SECTION 3.80.050(4) CHANGING THE SALES TAX EXEMPTION THRESHOLD BACK TO \$5K FROM \$10K ON SALES OF CONSTRUCTION MATERIALS AND SERVICES FOR USE IN EACH CONSTRUCTION PROJECT PAID FOR BY ANY ONE PURCHASER DURING ANY TWELVE (12) CONSECUTIVE-MONTH PERIOD. CONSTRUCTION MATERIALS ARE DEFINED AS THOSE ITEMS BECOMING A PERMANENT PART OF THE STRUCTURE.

BE IT ORDAINED BY THE ASSEMBLY OF THE HAINES BOROUGH, ALASKA:

Sec. 1. Classification. This ordinance is of a permanent nature and shall be codified into Haines Borough Code.

Sec. 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Sec. 3. Effective Date. This ordinance shall become retroactively effective to April 17, 2004 immediately upon adoption.

Sec. 4. Purpose. This ordinance amends Title 3, Section 3.80.050(4) by changing the sales tax exemption threshold back to \$5K from \$10K on sales of construction materials and services for use in each construction project paid for by any one purchaser during any twelve (12) consecutive-month period. Construction materials are defined as those items becoming a permanent part of the structure.

NOTE: **BOLDED** AND UNDERLINED ITEMS ARE TO BE ADDED
STRIKETHROUGH ITEMS ARE DELETED

3.80.050 Exempt transactions. The tax levied under this chapter shall not apply to the following:

1. Casual and isolated sales not made in the regular course of business;
2. Sales, services, rentals, and transactions that a municipality is prohibited from taxing under the Constitution and laws of the United States or the state;
3. Sales of goods resulting from orders received from outside the Borough where delivery is made outside the Borough by mail or common carrier;
4. Sales of construction materials and services exceeding ten five thousand dollars (~~\$10-5~~,000.00) for use in each construction project paid for by any one purchaser during any twelve (12) consecutive-month period. Construction materials are defined as those items becoming a permanent part of the structure.

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Purchaser must initially pay all sales tax on such materials and services. At the end of the twelve (12) month time period and within one year thereafter, purchaser must submit a completed sales tax refund form (provided by the Borough office) along with qualifying receipts. The Borough will review and refund to the purchaser all sales taxes paid on allowable construction materials and services that exceeded ~~ten~~ **five** thousand dollars (\$~~10~~ **5**,000.00) during the twelve (12) -month period.

If the project is not complete within the twelve (12) month period, the purchaser may apply for an extension of the exemption by signing an affidavit that the purchaser is continuing work on the same project. A total of three, twelve (12) month extensions may be applied for with respect to the same project. The refund procedure shall follow the same requirements as the first twelve (12) month period. The total time period for sales tax refunds on any one project shall not exceed four (4) years.

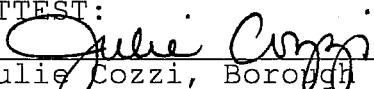
The project shall be reviewed and assessed yearly by the Borough assessor.

The contractor ~~or owner~~ may come to the Borough office and pay a sum equal to the appropriate sales tax on a ~~ten~~ **five** thousand dollar (\$~~10~~ **5**,000.00) purchase. The contractor ~~or owner~~ will then be issued a numbered sales tax exemption permit which will exempt the purchaser from paying sales tax on the purchase of construction materials and services on the particular project named for a twelve (12) month period. The permit number must be shown to all vendors by the purchaser on all purchases covered by this paragraph and be recorded on all sales tickets at the time of purchase of materials or services by the vendor;

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS 18th DAY OF August, 2004.


Mike Case, Mayor

ATTEST:


Julie Cozzi, Borough Clerk

Introduced:	07/21/04
Date of First Public Hearing:	08/04/04
Date of Second Public Hearing:	08/18/04

