



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Kenai Peninsula Borough Mayor *MN*

FROM: Brandi Harbaugh, Acting Finance Director *Bo*

DATE: August 24, 2017

SUBJECT: Ordinance 2017- 26, Amending KPB 5.18.200(A) and KPB 5.18.900 to Exempt Freight Hauling Services from Sales Taxes (Mayor)

The finance department recommends amending the sales taxes code to exempt freight hauling services as the sales tax revenues generated from the few taxable freight hauling services in the borough is not enough to offset the cost of code enforcement. Most such transactions are exempt because they are intermediate services or because they are part of an interstate transaction in which the transportation portion is exempt. This ordinance would amend KPB 5.18.200(A) and KPB 5.18.900 to exempt freight hauling services from sales taxes.

Your support of this ordinance would be appreciated.